

**Rating Action: Moody's confirms Greenfield, MA's A1 issuer and GOLT ratings**

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23 Aug 2019

New York, August 23, 2019 -- Moody's Investors Service has confirmed the A1 ratings on the Town of Greenfield, Massachusetts' long-term issuer rating and outstanding general obligation limited tax (GOLT) bonds. The issuer rating is equivalent to the town's hypothetical general obligation unlimited tax rating; there is no debt associated with this security. We consider the pledge supporting the town's outstanding bonds to be general obligation limited tax (GOLT) because of limitations under Massachusetts law on the town's ability to increase property taxes to pay debt service.

This action concludes the review of the rating that we initiated on July 1, 2019 for lack of sufficient financial information. Moody's placed the rating on review for possible withdrawal on July 1, 2019 for the lack of sufficient financial information for fiscal 2018. We have since received and reviewed the town's audited financial statements for fiscal 2018.

**RATINGS RATIONALE**

The confirmation of the ratings reflects receipt of audited financial statements required for the maintenance of the rating. The A1 issuer rating reflects the town's modestly large tax base, solid wealth and income profile, manageable debt, and modest pension expenses. The rating is modestly challenged by reserve levels and liquidity that have declined over several year and an elevated unfunded OPEB liability. Additionally, new debt is expected over the next several years.

The absence of distinction between the GOLT rating and the Issuer rating reflects both the town's ability to override the property tax cap and the town's full faith and credit pledge supporting debt service.

**RATING OUTLOOK**

Moody's does not assign outlooks to local government credits with this amount of debt outstanding.

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- Improved General Fund Balance and liquidity
- Significant tax base growth

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Failure to maintain structurally balanced financial operations
- Significant reduction of General Fund Balance and free cash
- Deterioration of the town's tax base
- Failure to address long term liabilities related to pension and OPEB

**LEGAL SECURITY**

The bonds are secured by the town's general obligation limited tax pledge as not all debt service has been voted exempt from the tax levy limitations of Proposition 2.5 and by its full faith and credit pledge to pay debt service.

**PROFILE**

The Town of Greenfield is located in Franklin County in northwestern Massachusetts, approximately 80 miles west of Boston at the intersection of Route 2 and Interstate 91. The town has a population of 17,474 (American Community Survey 2017). Generally, the Town of Greenfield is weaker than the A1 median for Massachusetts towns. The largest industry sectors that drive the local economy are retail services, manufacturing, and local government

## METHODOLOGY

The principal methodology used in these ratings were US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

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